

MAINE STATE LEGISLATURE

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ONE HUNDRED AND THIRD LEGISLATURE

Legislative Document

No. 523

H. P. 376

House of Representatives, February 1, 1967

Referred to Committee on Retirements and Pensions. Sent up for concurrence and ordered printed.

BERTHA W. JOHNSON, Clerk

Presented by Mr. Birt of East Millinocket.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-SEVEN

AN ACT Improving Payment of Benefits Under the Maine State Retirement System Law.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. R. S., T. 5, § 1121, sub-§ 2, ¶ A, amended. The first paragraph of paragraph A of subsection 2 of section 1121 of Title 5 is amended to read as follows:

A. The total amount of the service retirement allowance of a member retired in accordance with subsection 1 shall be equal to the sum of subparagraphs (1), ~~and~~ (2) and (3), subject to paragraphs B and C and subsection 4:

Sec. 2. R. S., T. 5, § 1121, sub-§ 2, ¶ A, amended. Paragraph A of subsection 2 of section 1121 of Title 5 is amended by adding a new subparagraph (3), as follows:

(3) Subparagraphs (1) and (2) shall be used as the basis for the computations for any service through June 30, 1967; thereafter, all membership service shall be computed at the rate of 1/50 of his average final compensation multiplied by the number of years of membership service subsequent to June 30, 1967.

Sec. 3. R. S., T. 5, § 1122, sub-§ 1, ¶ B, amended. The 2nd sentence from the end of paragraph B of subsection 1 of section 1122 of Title 5 of the Revised Statutes is amended to read as follows:

An amount equal to 90% of 1/70 of his average final compensation for service rendered through June 30, 1967 multiplied by the number of years of his said creditable service, plus an amount equal to 90% of 1/50 of his average final com-

pensation for service rendered after June 30, 1967 multiplied by the number of years of creditable service subsequent to that date, if such retirement allowance exceeds 25% of his average final compensation; otherwise an amount equal to 25% of his average final compensation, provided such allowance shall not exceed 90% of $1/70$ of his average final compensation for service rendered through June 30, 1967 and 90% of $1/50$ of his average final compensation for service rendered subsequent to that date, multiplied by the number of years which would be creditable to him were his creditable service to include the period from the time of retirement to the attainment of age 60.

STATEMENT OF FACTS

This Act would make it possible for employees and teachers, hired after the effective date of the Act, to retire after twenty-five years of service. Benefits would amount to one-half of average final compensation (the five years of highest salary), with an actuarial reduction for those under 60 years of age.

Benefits of employees and teachers, presently employed would be computed as follows:

For service prior to July 1, 1942— $1/50$ th of average final compensation,

for service after July 1, 1942, and prior to the effective date of this Act— $1/70$ th of average final compensation, and after the effective date of this Act— $1/50$ th of average final compensation.

It is estimated that this Act will require an appropriation of approximately \$1,805,000 per year for the next biennium.